BY ORDER OF THE COMMANDER
AIR FORCE MATERIEL COMMAND (AFMC)

AFMC INSTRUCTION 23-103

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Supply

DIMINISHING MANUFACTURING SOURCES AND MATERIEL SHORTAGES (DMSMS) PROGRAM

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

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This instruction implements AFPD 23-1, *Requirements and Stockage of Materiel*, and the policy provided in DoD 4140.1-R, DoD Material Management Regulation. This instruction provides additional policy relating to AFMC implementing the DoD policy. It is to be used by AFMC and its contractors and applies to Foreign Military Sales (FMS) customers for weapon systems no longer in AFMC inventory.

SUMMARY OF REVISIONS

This instruction updates organization symbols, revises responsibilities to reflect the automation of the notification process, and changes the requirement for a manual historical file to reflect the mandatory use of the Government Industry Data Exchange Program (GIDEP) Management Information System. Development and implementation of performance based requirements and open systems architecture are integral to minimizing future DMSMS impacts and now required for consideration as part of the management process.

1. Objective:

1.1. Reduce the impact of DMSMS by identifying and resolving DMSMS issues to ensure the continued availability of items and essential materials needed to support current and, when possible, planned defense requirements, by distributing notices, migrating legacy architectures toward an Open Systems Architecture, and providing DMSMS tools for the single manager.

2. Policy. It is AFMC policy that:

2.1. AFMC "single manager" shall be responsible for and manage DMSMS impacts from a systems perspective, considering both the impact on the acquisition and sustainment of a system or end item when the lack of, or impending lack of, sources for items of material endangers the support capability.

2.1.1. The actions taken shall be the most cost effective over the predicted life of the system or end item.

2.1.2. Analysis to determine the most cost-effective resolution shall include consideration for implementation of performance based requirements and migration to Open Systems Architecture to minimize the potential of future impacts during the system or end-items predicted life.

2.1.3. When using Contractor Logistics Support or other strategies that do not include the government obtaining the complete technical data package, actions and analysis shall include the potential impact of not having this data.

2.2. Development of resolution shall ensure the preservation of Operational Safety, Suitability, and Effectiveness baselines. (See Reference A1.10)

2.3. Execution of any life-of-type (LOT) buy for a quantity of an item no longer to be produced shall be made only when all other more economical and logistically acceptable alternatives to a material shortage or manufacturing discontinuance have been exhausted.

2.3.1. The Inventory control point (ICP)/item manager (IM) is responsible for funding and procurement of LOT buys for initial spares and replenishment stockage after the material support date (MSD) has been achieved. The end item program manager is responsible for funding and procurement of LOT buys to be used as government furnished material (GFM) for new production of end items and initial spares prior to MSD. If no inventory manager is assigned, the end item program manager shall make the LOT buy.

2.4. Conduct market research as required to comply with Federal Acquisition Regulation Part 10, 41 U.S.C.253a(a)(1), 41 U.S.C.264b, and 10 U.S.C.2377.

2.4.1. Market research will be conducted to ensure that legitimate needs are identified and trade-offs evaluated to acquire items, which meet those needs. DoD Standardization Document 5 (SD-5), Market Research, Gathering Information About Commercial Products and Services provides guidance to ensure complete research.

2.5. A history file, indicating the final resolution of the DMSMS situation shall be reported and maintained on the DMSMS portion of the Government Industry Data Exchange Program (GIDEP) database.

2.6. An effort should be made to coordinate and consolidate resources, achieve maximum cost benefits, and avoid duplication of effort throughout the Command.

3. Responsibilities :

3.1. HQ AFMC/ENP:

3.1.1. Serves as the command OPR for the DMSMS program.

3.1.2. Prepares AFMC DMSMS policy and procedures and ensures they are consistent with Air Force and DoD efforts.

3.1.3. Coordinates DMSMS efforts with other DoD activities, federal agencies, and industry as required.

3.2. AFRL/MLM(Air Force Research Laboratory/Manufacturing Technology Division):

3.2.1. Serves as the program office for the command DMSMS program.

3.2.2. Recommends and reviews policy and procedures for the command DMSMS program.

3.2.3. Encourages command and field activity implementation of the DMSMS program, which includes proactive development of migration plans towards performance based requirements and an Open Systems Architecture, cooperation with DoD components and activities on all DMSMS issues.

3.2.3.1. Ensures that AFMC subordinate activities appoint a DMSMS focal point.

3.2.3.2. Ensures that AFMC subordinate activities comply with DoD guidance.

3.2.4. Supports AFMC DMSMS working groups as required and represents AFMC at meetings when requested.

3.2.5. Develops, maintains, and interfaces with DMSMS data management tools to facilitate the discontinuance notification process supporting the AFMC Centers.

3.2.5.1. Upon receipt of a Defense Logistics Agency (DLA) discontinued parts case, identifies next higher assemblies (NHA) impacted by DLA managed discontinued parts and provides requirements determination worksheets to the AFMC Centers. Monitors the timely receipt of the requirement worksheets, validates the calculations and submits aggregated total requirements for AFMC to DLA.

3.2.5.2. Upon receipt of discontinuance information on Air Force managed parts, provides the information to the Center GIDEP focal point who informs the appropriate item manager of the need to process the discontinuance case, and the need for the GIDEP focal point to enter the resolution information in the GIDEP system.

3.2.5.3. During the identification of DMSMS issues, identify opportunities across weapon system platforms to share resources and minimize the duplication of effort.

3.3. AFMC Centers:

3.3.1. Designate a DMSMS focal point and advise HQ AFMC/ENP and AFRL/MLM whenever focal point changes occur.

3.3.2. Resolve DMSMS issues for all items under its responsibility.

3.3.2.1. Conducts market research to evaluate the most cost-effective resolution to the logistics/cost impact. The DMSMS Case Resolution Guide, reference A1.5 can be used as a guide for determining future demand, and potential solutions.

3.3.2.2. Execute the most cost-effective method consistent with mission requirements for the predicted life of the system.

3.3.2.2.1. Chief and or Lead engineers of the affected weapon systems or end items will be responsible for the development of resolution to ensure the preservation of Operational Safety, Suitability, and Effectiveness baselines.

3.3.3. Maintain history file as to resolution of DMSMS cases using the GIDEP database.

3.3.3.1. Ensure and utilize communication exchanges of DMSMS information within DoD, other government organizations and industry. As a minimum, provides for the exchange of information with the Government Industry Data Exchange Program (GIDEP)

3.3.3.2. If the resolution of the DMSMS case is to procure a LOT buy in excess of two years

inventory (including on-hand inventory), maintain a record of the rationale used and any supporting documentation to show compliance with exceptions to Title 10, United States Code, Chapter 131, Section 2213 until less than two years inventory remains.

3.3.4. Provide for the receipt and distribution of alert notices for federal stock classes (FSC) for which the center is responsible, as described in AFMAN 23-110.

3.3.4.1. For Air Force managed parts, determines NHA and notifies product directorate, item manager, or equipment specialist of the discontinued part.

3.3.4.2. For Defense Logistic Agency (DLA) managed parts, forwards request for future demand usage information to appropriate product directorate, item manager, or equipment specialist.

3.3.4.3. Compiles results from product directorates and/or item managers and forwards to AFRL/MLM or other specified agency to meet required response date.

3.3.4.4. Supports requests for future demand usage requirement from other centers or military services in preparation for potential LOT buys from other centers.

3.3.5. Assist AFRL/MLM in preparation of DMSMS trend analyses as required.

3.3.6. Assist AFRL/MLM in preparation of DMSMS policy, procedures and guidelines as required.

3.3.7. Provide postproduction support analysis for production contracts and other logistic support analysis (LSA) tasking requirements as appropriate.

3.3.8. Ensure new systems parts are screened for obsolescence by use of GIDEP and the DLA Military Parts Control Advisory Group (MPCAG). The MPCAG maintains a list of all obsolete parts and can help prevent replacing one obsolete part with another.

3.4. Air Force Security Assistance Center (AFSAC):

3.4.1. Will ensure that a valid Letter of Offer and Acceptance (LOA) and Command Case Directive (CCD), or other applicable implementing directive, are in place to fund required Foreign Military Sales (FMS) requisitions and ship the purchased items in accordance with the FMS customers' instructions.

3.4.2. Receives information copies of DMSMS notices from other services/agencies on items applicable to FMS and forwards those notices to the AFSAC country manager.

3.4.3. Forwards item information to the appropriate AFSAC country manager and maintain history file as to resolution of DMSMS cases using the GIDEP database for those items which AFSAC is responsible.

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Attachment 1

REFERENCES

A1.1. DOD 4140.1-R, *Materiel Management Regulation*, May 1998, Acquisition Materiel Management, Chapter 1, Section 4 contains DoD policy, procedures and possible solutions, in order of preference, when an item is identified as DMSMS.

A1.2. AFPD 23-1, *Supply, Requirements and Stockage of Material*, paragraph 1.8, implements reference A1.1.

A1.3. Defense Production Act, Title I, Defense Priorities and Allocations Program (DPAS) is a method that can be used to require contractors to continue production.

A1.4. AFMAN 23-110, *USAF Supply Manual*, Volume One, Part Two, Chapter Two, Section A lists serviceable supply site for FSCs.

A1.5. AFMC Case Resolution Guide, provides key considerations in solving a DMSMS case. A copy of this guide is available on the web in the DoD Deskbook. URL: http://web2.deskbook.osd.mil

A1.6. Flexible Sustainment Guide, Appendix D emphasizes the need to attend to DMSMS risks. This Guide is produced by the Joint Logistics Commanders (JLC) Joint Aeronautical Commanders' Group (JACG) and is available on the Defense Acquisition Deskbook.

A1.7. Federal Acquisition Regulation Part 10, Market Research. Prescribes policies and procedures for conducting market research to arrive at the most suitable approach to acquiring, distributing, and supporting supplies and services.

A1.8. DoD Standardization Document 5 (SD-5), Market Research, Gathering Information About Commercial Products and Services. The DoD guide provides valuable information on how to conduct Market Research.

A1.9. Title 10 United States Code, Chapter 131, Section 2213, Limitation on acquisition of excess supplies prohibits the Secretary of Defense from incurring any obligation against a stock fund if the acquisition of any item of supply is likely to result in an on-hand inventory of that item of supply in excess of two years.

A1.10. AFMCI 63-1201, Assurance of Operational safety, Suitability, & Effectiveness provides chief and lead engineer responsibilities including being responsible for system and or end item configuration to include all supply items.

Attachment 2

DEFINITIONS

A2.1. DMSMS is the loss or impending loss of manufacturers of items or suppliers of items or raw material. DMSMS is caused when manufacturers of items or raw material suppliers discontinue production.

A2.2. DMSMS focal point is the individual or organization responsible for taking timely actions and for coordinating with other organizations, as appropriate, to ensure the continued availability of DMSMS end items, parts, and essential materials needed to support current and planned defense acquisition, including the determination of future items requirements.

A2.3. Inventory Control Point (ICP) is the individual or organization responsible for the materiel management of a group of items either for a particular DoD component or for DoD as a whole. Materiel inventory management includes cataloging direction, requirements computation, procurement direction, distribution management, disposal direction, and generally, rebuild direction.

A2.4. A Life of Type (LOT) buy is a one-time procurement, when all cost effective and prudent alternatives have been exhausted, for the total future requirements of an item no longer to be produced.

A2.5. A Legacy Architecture is the specifications or technology standards and guidelines used to develop a system already in existence.

A2.6. Market Research is a process used to collect, organize, maintain, analyze and present data for the purpose of maximizing the capabilities, technology and competitive forces of the marketplace to meet an organization's needs for supplies or services.

A2.7. Open systems are designed to improve performance and lower cost of weapon systems by taking advantage of competition and innovation in the commercial market. They mitigate obsolescence by facilitating technology insertion. Open systems are characterized by:

- Well-defined, widely used, preferably nonproprietary interfaces and/or protocols.
- Use of well documented standards for defining those interfaces.
- Provisions for expansion or upgrade through incorporation or addition of new technology.
- Performance-based specifications to spell out what the system should do.

A2.8. A performance based requirement is a requirement stated in terms of performance (speed, altitude, reliability, interfaces, etc.) versus build-to-print requirements. Describing the requirement in terms of performance provides flexibility for the supplier to provide any design, which meets the performance.

A2.9. Single manager is the general integrated weapon system management (IWSM) term used to describe system program direction, and product group managers who are the individuals responsible for a system, or product group.